

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO. 4142-01
BILL NO. HB 2100
SUBJECT: Appropriations: Health, Public
TYPE: Original
DATE: April 13, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue*	(\$135,626,621)	(\$162,447,798)	(\$164,044,888)
Tobacco Settlement Trust Fund	\$132,712,209	\$159,198,842	\$160,763,990
Missouri Alternatives to Abortion Support	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	(\$2,914,412)	(\$3,248,956)	(\$3,280,898)

*Foregone anticipated revenues (deposited in Tobacco Settlement Trust Fund instead of the General Revenue Fund)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Health**, and **Office of the State Treasurer** assumed that the proposed legislation would have no fiscal impact on their agencies or that they could accomplish duties under this proposal with existing resources.

Officials of the **Office of Administration** would request an Executive Director to carry out administrative functions of the Missouri Respect for Life Commission and a Clerk IV to provide clerical support for the Commission members and for the Executive Director. They also estimated expenses (no per diem would be allowed) for the Commission using assumptions of four meetings per year for two days per meeting, an average of 240 miles round trip to attend meetings, mileage reimbursement of \$.28 per mile, \$75/night lodging costs, and \$35 per day meal costs and \$22 for dinner the night before the meetings begin. Costs are estimated at \$16,638 per fiscal year beginning is FY 2001.

Oversight assumed that the proposal would only affect six months of FY 2001, adjusted salaries to reflect beginning positions, and assumed that the two new persons would be located in existing space.

Estimates of amounts Missouri will receive from the Master Settlement Agreement are ranged from estimates made by the Office of Administration - Division of Budget and Planning to estimates published by the National Governors Association (NGA).

Budget and Planning's estimates assume upward inflation adjustments of three percent (3%) to each years annual payment and downward volume adjustments of 10% in 2000, 12.7% in 2001, 14.9% in 2002, and 16.6% in 2003. These volume adjustment assumptions are those recommended by Federal Funds Information for States and are based on estimates developed by Standard and Poors.

The NGA figures do not include any offsets, reductions or adjustments; therefore, Oversight has included a 3% per year inflation adjustment.

For purposes of simplifying the fiscal note, **Oversight** has used the estimates of the Office of Budget and Planning. Please see the attachment for complete schedules of ranges of estimates.

Advertisement costs for the proposal would be \$4,380 per newspaper column inch for three publications of the text of the proposal, the introduction, title, fiscal note summary, and affidavit. The proposal would be on the ballot for the November 2000 general election.

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<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
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GENERAL REVENUE FUND

Cost-Secretary of State

Newspaper Advertisements	(\$206,000)	\$0	\$0
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Foregone Revenue - Tobacco Settlement	(\$135,420,621)	(\$162,447,798)	(\$164,044,888)
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**ESTIMATED NET EFFECT ON
GENERAL REVENUE FUND**

(\$135,626,621) (\$162,447,798) (\$164,044,888)

TOBACCO SETTLEMENT TRUST FUND

<u>Income</u> - Tobacco Settlement	\$135,420,621	\$162,447,798	\$164,044,888
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<u>Cost</u> - Transfer to Missouri Alternatives to Abortion Support Fund	(\$2,708,412)	(\$3,248,956)	(\$3,280,898)
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**ESTIMATED NET EFFECT ON FUND
FOR MISSOURI'S FUTURE**

\$132,712,209 \$159,198,842 \$160,763,990

**MISSOURI ALTERNATIVES TO
ABORTION SUPPORT FUND**

<u>Income</u> - Transfers from Tobacco Settlement Trust Fund	\$2,708,412	\$3,248,956	\$3,280,898
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Cost - Office of Administration (COA)

Personal Service (2 FTE)	\$ 32,064	\$ 65,731	\$ 67,375
Fringe Benefits	9,860	20,212	20,718
Expense and Equipment	<u>20,168</u>	<u>18,373</u>	<u>18,925</u>
Administrative Costs of COA	(\$62,092)	(\$104,316)	(\$107,018)

<u>Cost</u> - Alternatives to Abortion Services Programs	(\$2,646,320)	(\$3,144,640)	(\$3,173,880)
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**ESTIMATED NET EFFECT ON
MISSOURI ALTERNATIVES TO
ABORTION SUPPORT FUND**

\$0 \$0 \$0

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<u>FISCAL IMPACT - Local Government</u>	FY 2001	FY 2002	FY 2003
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would establish a Tobacco Settlement Trust Fund to receive monies from an award or settlement between the state of Missouri and tobacco companies. Two percent (2%) of the monies available for appropriation would be appropriated to the Missouri Alternatives to Abortion Support Fund, which would be used for alternative to abortion services either directly through public entities or by grants to or contracts with tax-exempt, Missouri-located private entities that provide those services and other purposes as provided by law.

This legislation is not federally mandated, would not duplicate any other program, would not require additional capital improvements or rental space. The proposal would not affect Total State Revenues.

SOURCES OF INFORMATION

Department of Health
Office of Administration
State Treasurer
National Governors Association
Federal Funds Information for States Issue Brief 99-16: Estimating Tobacco Payments



Jeanne Jarrett, CPA
Director
April 13, 2000

Year	OA - B&P	Governors Association	3% CPI Increase
1998	\$54,590,426	\$54,590,426	\$54,590,426
1999	\$0	\$0	\$0
2000	\$129,451,392	\$145,841,736	\$150,216,988
2001	\$135,420,621	\$157,485,647	\$167,076,523
2002	\$162,447,798	\$189,094,295	\$206,623,336
2003	\$164,044,888	\$190,883,868	\$214,820,705
2004	\$143,399,390	\$159,313,061	\$184,659,769
2005	\$144,834,156	\$159,313,061	\$190,203,864
2006	\$146,278,082	\$159,313,061	\$195,907,271
2007	\$147,740,792	\$159,313,061	\$201,785,923
2008	\$164,693,218	\$175,833,051	\$181,916,875
2009	\$166,353,707	\$175,833,051	\$236,266,871
2010	\$168,003,541	\$175,833,051	\$243,352,943
2011	\$169,675,393	\$175,833,051	\$250,667,598
2012	\$171,378,869	\$175,833,051	\$261,340,664
2013	\$173,100,158	\$175,833,051	\$265,929,906
2014	\$174,833,563	\$175,833,051	\$273,895,144
2015	\$176,602,091	\$175,833,051	\$282,124,130
2016	\$178,364,609	\$175,833,051	\$290,581,700
2017	\$180,168,255	\$175,833,051	\$299,303,019
2018	\$188,424,839	\$182,059,072	\$319,204,171
2019	\$190,339,585	\$182,059,072	\$328,780,478
2020	\$192,257,965	\$182,059,072	\$338,629,874
2021	\$194,207,025	\$182,059,072	\$348,788,770
2022	\$196,152,138	\$182,059,072	\$359,257,167
2023	\$198,156,125	\$182,059,072	\$370,035,064
2024	\$200,180,829	\$182,059,072	\$381,140,667
2025	\$202,222,663	\$182,059,072	\$392,573,977
Total	\$4,513,322,118	\$4,589,951,302	\$6,989,673,821